



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

200 Independence Avenue SW
Washington, DC 20201

September 20, 2011

The Honorable Edward Heidig
Interim Director
California Department of Managed Health Care
980 9th Street, Suite 500
Sacramento, CA 95814

Dear Director Heidig:

The Rate Review Grant Program within the Center for Consumer Information and Insurance Oversight (CCIIO) is pleased to award California-DMHC a grant under the funding opportunity announcement entitled Grants to States for Health Insurance Rate Review, Cycle II. Congratulations on your successful application. The Notice of Grant Award (NGA) is included in the attachments to this Award Letter.

Pursuant to the HHS Grants Policy Statement, there are terms and conditions associated with the receipt of this grant. These include the Standard and Special Terms and Conditions (STCs), which are attached to this letter. The templates for quarterly programmatic reporting, annual programmatic reporting, the final programmatic report, required data collection, and instructions on how to obtain disbursement of grant funds are also attached to this letter.

Please carefully review all of the standard and special terms and conditions of the grant award and provide CCIIO with a written letter of acceptance of these terms and conditions by October 20, 2011. The letter of acceptance may be submitted electronically to Jacqueline Roche at Jacqueline.Rochel@cms.hhs.gov and Gabriel Nah at Gabriel.Nah@cms.hhs.gov.

We thank you for your commitment to the Rate Review Grant Program and your continued partnership in the enhancement or establishment of an Effective Rate Review program in California-DMHC. Throughout Rate Review Cycle I, States used grant funds to substantially improve their rate review processes and we are confident that Cycle II funds will provide even more opportunities for States to enhance actuarial support, IT systems, and consumer transparency and education.

CCIIO looks forward to continued collaboration with California-DMHC as you embark upon an ambitious program to enhance the rate review process and take important strides to help protect consumers from unjustified and/or excessive premium increases.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Larsen", is written over a horizontal line.

Steve Larsen, Director
Center for Consumer Information and Insurance Oversight